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DIY retailing blooms in Calif. desert—page

Furniture/storage: Hot home center newcomers—pp. 33-

National
Home Center News ®

Vol. 11, No. 4 $2 a copy The newspaper for retailers serving homeowners and contractors. Publishe[d] [by] Lebhar-Friedman Inc. Feb. 11, 1985

Forest City sells Chicago stores to Mr. HOW

Exits to concentrate on stores in other markets

By Phillip M. Perry
NHCN associate editor

CLEVELAND — Forest City Enterprises has agreed to sell all five of its Chicago warehouse home centers to Service Merchandise, Nashville, the $1.5 billion parent company of Mr. HOW Warehouse.

Drawing the curtain on Forest City's attempts to capture more market share in a city that has become more highly competitive, the two companies signed an "asset purchase agreement and assumption of leases" on Jan. 19. Five landlords holding the leases, which cover both land and buildings, are expected to assign them to Service Merchandise by the end of this month, in effect closing the deal. The stores range in size from 57,000 to 100,000 sq. ft.

"All of the markets in the country are becoming more intensive, and this is the case in our traditional markets," said Charles A. Ratner, executive vp of Forest City Enterprises.

"The move will allow us to re-invest the money gained from the sale in our other stores [in other cities] where our company enjoys a dominant position."

Forest City now has seven stores in Cleveland, two in Akron and eight in Detroit.

"Several of the stores have been completely converted [to the warehouse format], and we expect the remainder to be converted by the end of this year," said retail division president Ed Seymour.

Neither company would comment on the amount of the sale, although Service Merchandise indicated no stock was involved. However, one home center executive knowledgeable about the Chicago market estimated the amount at $12 million, based upon an estimated inventory at cost for the five stores at $8.5 million, and leasehold rights at an estimated $3.5 million. The stores each had an average annual volume of an estimated $8 million.

In addition, it is estimated that Forest City spent between $1 million and $2 million remodeling the stores to include warehouse fixturing last year. The company also placed $292,000 in television advertising last year in Chicago to pro-

(Continued on page 78)

Scotty's mints new store design; 65-70 units could be remodeled

Unveils new prototype, fifth hardware outlet

By Wyatt Kash
NHCN editor

JACKSONVILLE, Fla. — Scotty's is set to roll out a newly developed 49,000-sq.-ft. store design, featuring modified warehouse racking and a new stylized store front, which officials for the chain are billing as Scotty's "store of the future."

Plans call for opening six new stores, using variations of the design, by the end of Scotty's fiscal year, ending June 29, and for remodeling 10 of its larger stores to conform to the new format by the end of 1985.

As many as 65 to 70 of the chain's 105 full-line home improvement centers are ultimately considered eligible candidates for reformatting, according to Dennis W. Stults, executive vice president, although he said it was too early to specify a long-term completion date.

While modified versions of the design were first unveiled in December—at a rebuilt Sarasota unit and a newly built facility in an Ocala, Fla., strip mall—the first full-blown rendition of the new prototype debuted here Jan. 17. The store, on San Jose Boulevard, is Scotty's seventh in the market.

The grand opening coincided

(Continued on page 78)

New signage, 12-ft. warehouse racks and a vastly expanded showroom are components of Scotty's new prototype store, unveiled last month in Jacksonville. Inspecting grand opening sales activity are (l-r) Hugh Tuttle, vp/regional sales mgr.; David Bryant, vp/sales promotion mgr., and Dennis Stults, executive vp. NHCN photo

Cold snap spurs sales, but snow buries Texas

By Laura Liebeck
NHCN field editor

NATIONAL REPORT — The cold snap that clobbered sections of the country last month caused unexpectedly robust sales at some home centers, while others suffered with below-average sales activity.

The unexpected snow storm that blanketed San Antonio with 13½ in. on Jan. 11 paralyzed the city and stopped business dead at area home centers, retailers report.

(Continued on page 76)

INTEREST RATES KEY FACTOR

Home center stocks show new life; poised for rally

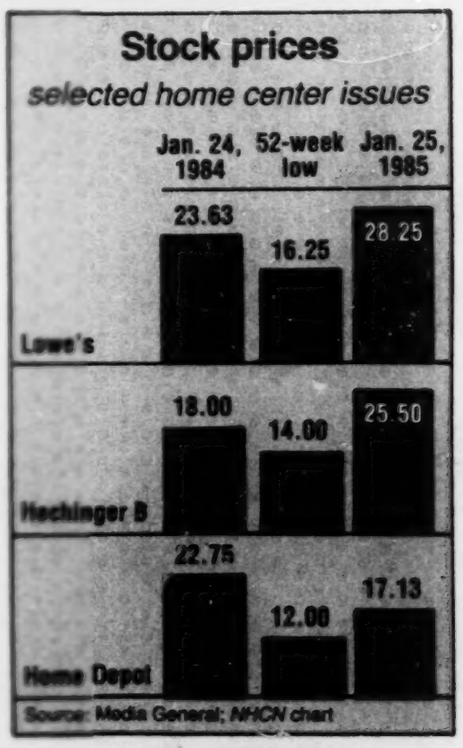
By Ronald R. Gurczynski
NHCN associate editor

NATIONAL REPORT — Home center stock prices are showing sizable gains and they are poised for even larger increases as 1985 unfolds.

Last month's stock market rally saw the Dow Jones Industrial Average rise 34.01 points to close at 1,261.37 on Jan. 21. At that time, the stock of Lowe's Companies climbed over $2 per share in several days of trading and it consistently made the New York Stock Exchange's list of new daily highs. Also in the mid-January upturn, Hechinger B climbed by over $1.50.

In spite of the positive signs, however, some industry ob-

(Continued on page 5)



NEWSBREAKS

LOWE'S BUYS 23 BOISE UNITS

Boise Cascade has agreed to sell 23 of its retail building materials stores to Lowe's for $50 million cash. Lowe's will also acquire two warehouse facilities and two door manufacturing plants. The acquisition includes eight stores in Dallas-Fort Worth, nine in central and northeast Texas and six in Oklahoma.

Handyman launches 11-store retrofit program —Page 3

NeRLA show opens 1985 on an upbeat note —Page 6

New group forms to recognize lumber women —Page 3

Housing starts climb to highest level in five years —Page 10

Lumber chain alters mix to stem whses

By Phillip M. Perry
NHCN associate editor

FLORAL PARK, N.Y. — Startled by the growing inroads of warehouse home centers on its sales, Lumber Headquarters is changing its merchandising course by adding salvage merchandise to its mix at all 12 of its stores.

The move, designed to present a more competitive pricing image to Long Island consumers, accompanies other changes including free delivery, new uniforms for personnel and an improved in-house employee training program.

Together, these steps and others are part of plan by the $13 million chain to turn around a recent slide in sales, in an attempt to boost volume to $15 million this year. The move, however, appears to reflect the dramatic changes a growing number of small and medium sized home center and building supply operators are having to make in reaction to warehouse competition.

The company meanwhile also plans to attract more female shoppers and provide more training to do-it-yourselfers, who account for some 85% of store sales.

Initial sales results from a test of salvage merchandise last summer have emboldened the firm, not only to roll the remerchandising program chainwide, but also to begin looking for a 13th store, on Long Island, according to merchandise manager Tom Gallub. Currently, the company has four outlets in Brooklyn, which have tended to escape the warehouse promotion furor, and eight Long Island units.

"Right now we are strong in building materials and traditional home center items" in the area of salvage merchandise, said Gallub. Lumber, doors,

(Continued on page 76)

NHCNews Briefs

Industry Update

Evans debt may force asset sale

MIAMI — Evans Products Co. continues its efforts to restructure and refinance its $600 million debt, and has stated it is seriously exploring the sale of its assets to repay the loans.

Having missed its Jan. 15 deadline to repay $347 million in term loans, plus another $151 million in debt from its Financial Co. subsidiary and another $102 million from its Transportation Co., Evans is negotiating with its 22 lenders over a possible rescheduling of the payments, and is seeking other financing.

"It is becoming more evident in our conversations with [Victor] Posner and his people that Evans' officials view asset sale as a viable solution to its problems," said one banking source involved in the talks.

Posner, the well-known financier based here, is Evans' chairman and owns 43% of the company. He also retains holdings in 40 other firms, although the banking source could not comment on whether Posner had discussed buying more of Evans through one of these corporations.

The source, who asked not to be named, said that the offer to purchase Evans' $1 billion retail group by its former president Mike Grossman—an offer he has tendered with the assistance of the New York-based leveraged buyout firm Gibbons, Green—"has been kind of quiet lately."

Wickes eyes regional buy-outs

SANTA MONICA, Calif. — One day before Wickes Cos. officially emerged from bankruptcy, its chairman, Sanford Sigoloff, said Wickes was looking to make regional acquisitions to expand its existing retail divisions.

In addition, he said that the company would also consider a "major business segment" acquisition, or even a merger with a similarly sized company.

To strengthen its divisions' market position, Wickes plans to use $500 million of tax-loss benefits, as well as short-term borrowings, preferred stock or high-yield bonds to fund small or large acquisitions. The company also has about $140 million in unused bank credit at its disposal.

Sigoloff's comments were made during an interview with *The Wall Street Journal*, published on Jan. 25, the day before Wickes began issuing $565 million face amount of notes and 80 million shares of its common stock as part of a $1.6 billion creditor agreement.

Neiman-Reed names new ceo

VAN NUYS, Calif. — Doug Williams, formerly chief financial officer of Neiman-Reed's Lumber City, which operates 12 units primarily in the San Fernando Valley, has been named chief executive officer.

Robert Neiman, co-founder of the chain, said he relinquished his ceo title to Williams but remains as chairman.

Williams' cfo slot was filled by John Wilson, formerly controller. Both Williams and Wilson came to Lumber City from UBM Group Ltd., based in Bristol, England. UBM owns 51% of the company and has an option to buy the balance in July 1986. Neiman represents ownership of 49% of the chain.

Neiman said the chain generated sales of about $60 million in 1984. Williams was promoted late last year but it was not disclosed publicly until last month.

Home Depot opens Calif. office

FULLERTON, Calif. — The Home Depot has opened a real estate office in this Orange County city which eventually will be expanded to include a West Coast merchandising department "when we get ready to open stores" in California, according to Arthur Blank, president.

The office at 601 S. Placentia Ave. has been occupied since late November by Emmett Albergotti, regional director of real estate, and Bill Salyer, regional director of construction and store planning. The office is located inside a former manufacturing facility owned by the McDonnell Douglas aerospace firm that will be eventually converted into a 100,000-sq.-ft. Home Depot, Blank said.

Blank confirmed that The Home Depot also plans to build a 100,000-sq.-ft. outlet in the Clairemont section of San Diego on the northeast corner of Balboa and Genesee Avenues. He said speculation that The Home Depot would open the San Diego store as well as an 85,000-sq.-ft. Oceanside store (*NHCN*, Jan. 14, 1985) by this summer is "not correct." "We have not set opening dates for these stores," he added. The company has a fourth southern California location in Huntington Beach, a 75,000-sq.-ft. ex-Zodys discount store.

***(Industry Update,** continued on page 77)*

National Home Center News (ISSN 0192-6772) is published biweekly, every other Monday, 25 times a year, beginning with the first Monday in January through the fourth Monday in November, monthly in December; by Lebhar-Friedman Inc., 425 Park Ave., New York, N.Y. 10022. Manufacturers, schools, libraries and all others: $25 a year ($26 Canadian). Single copy rate $2 except first May issue (Annual Census) and second July issue (Consumer Attitude Study)$15 each. Foreign subscriptions: Airmail only, $125 per year.

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Vol. 11, No. 4 Feb. 11, 1985

General Felt seeking 50% of Mich. Gen'l

By Phillip M. Perry
NHCN associate editor

DALLAS — General Felt Industries, Saddle Brook, N.J., has taken another step in its effort to obtain management control over Michigan General, parent company of Diamond Lumber.

On Dec. 24, General Felt purchased 219,800 shares of Michigan General stock, bringing its total ownership of that company to 16.5%.

"We intend to purchase over 50% of the stock of the company [Michigan General]," said Robert Condon, finance vp for General Felt, a $400 million privately held floor coverings distributor. He added that General Felt's continuing efforts in that drive would hinge on market conditions and did not divulge a timetable.

"It was unexpected," said Michigan General president John Boudreau of the stock purchase. "We learned about the block of stock being available after the fact."

Last year, GFI purchased 14.5% of Michigan General's stock for $14.5 million. At that time, GFI indicated it would very likely seek board seats at Michigan General in order to exert some management control (*NHCN*, Sept. 24, 1984).

"There are no negotiations going on between our two companies at all," said Boudreau. "I do expect them [GFI] to request board representation. If they do, I'll certainly put it before the nominating committee."

Boudreau said he felt when a person owns a substantial portion of a company stock, he

(Continued on page 77)

Levolor fire will not affect production

By Laura Liebeck
NHCN field editor

HOBOKEN, N.J. — The ravaging fire that consumed nine vacant Levolor Lorentzen Inc. warehouses on Jan. 15 will not affect production or deliveries to distributors, according to a company spokesman.

"If it [the fire] affects them [the distributors] by more than one or two days, we'll be very surprised," the spokesman said. "The fire did not interrupt any orders," he added.

Levolor is a New Jersey-based manufacturer of window blinds with 17 other manufacturing facilities located throughout the country.

The fire, which started somewhere within the core of the nine interconnected buildings in which a demolition crew was working to tear down, did not damage any inventory and only interrupted production at the main plant across the street for less than one day. Three days after the fire the plant was 95% operational.

"The specifics on the exact cause of the fire are still undetermined," said Hoboken deputy fire chief Edward Scharneck. "There is no reason to believe the fire was deliberately set."

Scharneck said fire investigators estimate the damage at about $5 million. Levolor officials, however, report they don't know what the cost of the damages was because they are still assessing it.

"The fire, thankfully, wrapped around the most important part of our plant. Everything around us got destroyed, but when all was said and done, the damage was mini-

(Continued on page 77)

Membership warehouse firms on the rise

NEW YORK — Warehouse Club, the W. R. Grace-controlled wholesale cash and carry business, is doing $1 million a week in sales in a 100,000-sq.-ft. facility that carries only 3,500 stock keeping units of merchandise. According to Walter Teninga, president and ceo, Warehouse Club is trying very hard to approach the $2 million a week sales of Sol Price's Price Club locations.

Teninga's comments were made as he took part in a discussion on evolving concepts in retailing at the National Retail Merchants Association (NRMA) convention held here last month.

The theme of the 74th annual gathering was Focus On The Future, and Teninga stated that warehouse retailing will remain an important part of that future. He said that wholesale cash and carry warehouse retailing, created by Price, will be a $20 billion industry by 1990. Teninga further predicted that the approximately 10 firms now in the business will be joined by many others.

Allan Pennington, president of the New York consulting firm, Pennington Associates, moderated the panel discussion. He commented that the unorthodox merchandising approach of warehouse retailing would have been dismissed by merchants not too long ago. "A merchant who proposed to operate a store on 10% margins, utilizing poor locations, with 3,500 sku's, no advertising, liberal credit terms and union labor would have been laughed out of the boardroom."

Highlights in this issue

Desert Retailing

Business is blistering hot for DIY dealers in the desert region of southern California. Booming sales are being spurred by an influx of young urban dwellers relocating from the nearby population centers of Los Angeles, San Diego and Orange Counties. In addition, older people continue to view the area as an ideal spot for retirement.

Pages 19-24

Advertising & Marketing

Star Lumber debuts new institutional TV ads.

Washington independent turns disaster into 35% sales increase in December.

Home Depot increases advertising after Bowater buy-out.

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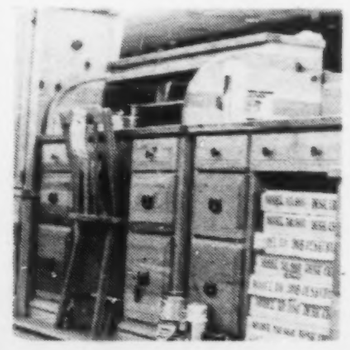
Merchandising

Furniture sales rise up to 70% in some stores as home centers cash in on demand for entertainment centers and computer tables.

HomeClub takes on brown and white goods.

Payless tests comprehensive nurseries in two Phoenix units.



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Systems & Operations

True Value targets tighter control of inventory with new system.

Add Plus combines POS with back office function.

Retailers increased funds for management information systems according to a new study by Arthur Young, the New York consulting firm.

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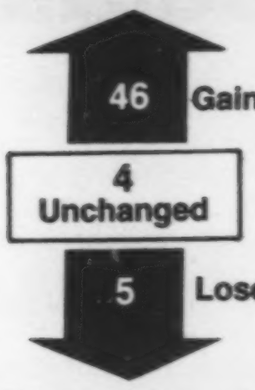
FINANCIAL NEWS



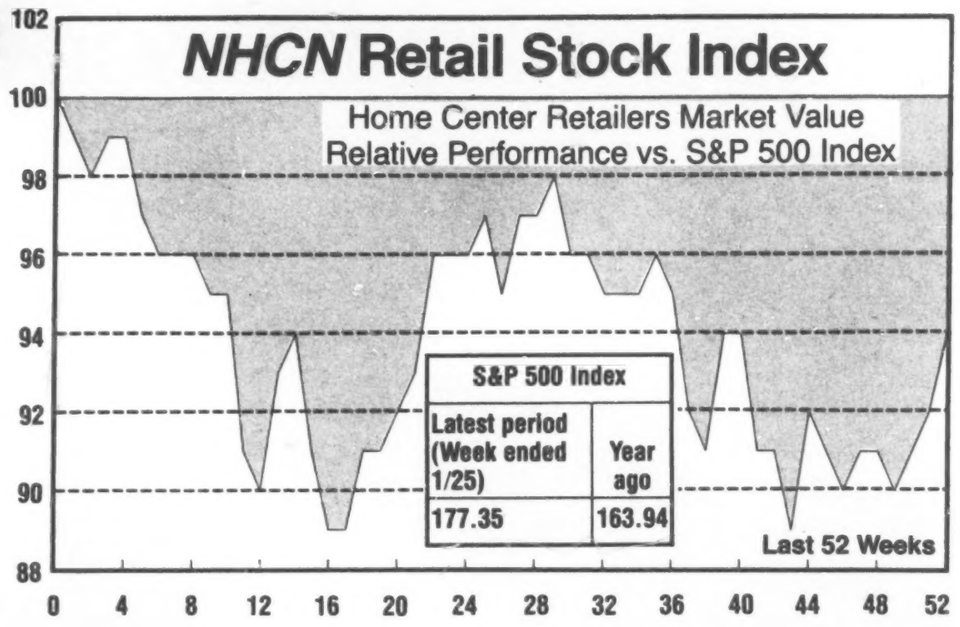
More stocks joined the winners' ranks as 46 home center industry issues gained; five showed price decreases, and four were unchanged, for the two-week period ended Jan. 25.

Among the industry's retailers, Payless Cashways was the top price gainer, up 12.3% to $19.38. Lowe's continued its torrid pace, closing at $25.38, up 11.3% over the period and just $1.25 off its 52-week high.

Hechinger B common stock closed at $25.50, up 7.4% over the period, as it nears its 52-week high of $26. Hechinger B also saw the greatest surge in trading volume as a per cent of total shares outstanding. Its volume trend change of 457.1% indicates that there has been more shares traded in the past two-week period, as a per cent of outstanding shares, than the average for the past quarter.

Michigan General, despite General Felt Industries' continuing attempt to gain a majority interest in the company *(see story, page 2)*, saw its stock fall 3.3% to close at $7.25.

Home center stocks, which got off to a flying start this year and appear poised for even larger price increases *(see story, page 1)*, gained on the Standard & Poor's 500 Index over the past two weeks. The *NHCN* Retail Stock Index climbed to 94.0, up approximately five points in that period, relative to the S&P 500 Index, which stood 13.41 points above its year-ago level.



MOST ACTIVE STOCKS

Company & Market	Total 2-Week Volume (100)	Volume Trend Change %	2-Week Price Change %
Hechinger B M	2,822	457.1	7.4
Newell Cos N	1,960	406.7	21.8
Color Tile M	8,479	381.3	9.6
Scott Seabd O	162	373.7	.0
Natl Gypsum N	10,947	340.0	11.3

Company & Market	Total 2-Week Volume (100)	Volume Trend Change %	2-Week Price Change %
Edison Bros N	2,452	340.0	8.6
Clopay Corp A	147	324.1	- .6
Armstrng Wrld N	14,589	313.6	6.6
Owens Corning N	16,370	311.9	9.7
Hechinger A M	3,280	307.8	5.5

TOP GAINERS

Company & Market	2-Weeks Ended 12-21-84 $	2-Week Price Change %	Total 2-Week Volume (100)
Newell Cos N	18.88	21.8	1,960
Lewis Palmer M	9.25	19.4	1,442
Masco Corp N	31.75	14.9	9,947
Walter, Jim N	36.38	13.2	11,194
Payless Cash N	19.38	12.3	20,038

TOP LOSERS

Company & Market	2-Weeks Ended 12-21-84 $	2-Week Price Change %	Total 2-Week Volume (100)
Mich General A	7.25	- 3.3	2,302
Erb Lumber O	18.25	- 1.4	54
Home Depot N	17.13	- .7	6,655
Thos Inds N	17.88	- .7	484
Clopay Corp A	19.50	- .6	147

National Home Center News®

HOME CENTER INDUSTRY MARKET SUMMARY

Stock Market — Price: 2-Weeks Ended 1-25-85; 2-Weeks Change Amt. $, Pct. %; 2-Week Range High $, Low $; 52-Week Range High $, Low $. Volume: 2-Weeks Shares Traded Total (100), % Out %; 12-Week Avg. Vol. As % Out %; Volume Trend Change %.

Financial Update — P/E Ratio; Indicated Divd. Rate Amt. $, Yld. %; Latest Report New Report, Period, Date Ended; Latest Quarter Revenue Amt. $Mil, Chg. %; Net Income Amt. $Mil, Chg. %; E.P.S. Amt. $, Chg. %; Year-to-Date Revenue Amt. $Mil, Chg. %; Net Income Amt. $Mil, Chg. %; E.P.S. Amt. $, Chg. %.

Company and Market	2-Weeks Ended 1-25-85	2-Weeks Change Amt.	2-Weeks Change Pct.	2-Week Range High	2-Week Range Low	52-Week Range High	52-Week Range Low	2-Weeks Shares Traded Total (100)	2-Weeks Shares Traded % Out	12-Week Avg. Vol. As % Out	Volume Trend Change %	P/E Ratio	Indicated Divd. Rate Amt.	Indicated Divd. Rate Yld.	Latest Report New Report	Latest Report Period	Latest Report Date Ended	Latest Quarter Revenue Amt. $Mil	Latest Quarter Revenue Chg. %	Latest Quarter Net Income Amt. $Mil	Latest Quarter Net Income Chg. %	Latest Quarter E.P.S. Amt. $	Latest Quarter E.P.S. Chg. %	Year-to-Date Revenue Amt. $Mil	Year-to-Date Revenue Chg. %	Year-to-Date Net Income Amt. $Mil	Year-to-Date Net Income Chg. %	Year-to-Date E.P.S. Amt. $	Year-to-Date E.P.S. Chg. %
Retailers																													
Boise Cascade N	42.25	2.00	5.0	43.75	40.25	44.63	32.50	13,452	5.06	1.65	206.7	11.5	1.90	4.5	.....	9 mos.	09-84	962.8	5.9	32.7	80.7	1.13	94.8	2909.7	14.1	94.1	103.7	3.24	120.4
Color Tile M	18.50	1.63	9.6	18.75	17.00	18.75	13.63	8,479	9.24	1.92	381.3	12.5	.00	.0	.....	3 mos.	09-84	75.5	20.2	2.8	3.7	.31	19.2	75.5	20.2	2.8	3.7	.31	19.2
Edison Bros N	36.38	2.88	8.6	36.38	33.50	41.00	32.50	2,452	2.42	.55	340.0	8.3	1.60	4.4	.....	9 mos.	09-84	270.7	8.6	8.9	- 14.4	.88	- 8.3	777.5	8.6	24.5	- 9.9	2.37	- 5.6
Erb Lumber O	18.25	- .25	- 1.4	18.75	18.00	24.50	18.00	54	.60	.44	36.4	8.5	.00	.0	.....	9 mos.	09-84	43.3	1.6	1.2	- 7.7	1.30	- 11.0	113.6	11.2	2.1	- 4.5	2.29	- 6.1
Evans Prod N	3.75	.13	3.4	3.75	3.63	9.25	3.00	1,500	1.09	.67	62.7	NE	.00a	.0	.....	9 mos.	09-84	404.2	10.6	(12.6)	NE	(.99)	NE	1030.0	6.1	(58.1)	NE	(4.44)	NE
Forest City Ent A	20.75	1.25	6.4	20.75	19.63	21.25	15.00	353	.88	.28	214.3	66.9	.15	.7	.....	9 mos.	10-84	85.8	284.8	2.7	NC	.34	NC	256.5	37.5	3.1	- 35.4	.39	- 35.0
Grace W R N	42.75	3.63	9.3	42.88	39.13	44.63	36.50	7,060	1.46	.84	73.8	10.7	2.80	6.5	.....	9 mos.	09-84	1658.3	10.1	33.1	17.8	.68	19.3	4897.0	9.7	136.5	34.2	2.80	35.3
Hechinger A M	24.00	1.25	5.5	24.00	22.50	24.00	13.50	3,280	4.69	1.15	307.8	NA	.16	.7	.....		00-00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Hechinger B M	25.50	1.75	7.4	26.00	23.25	26.00	14.00	2,822	1.56	.28	457.1	23.2	.10	.4	.....	9 mos.	10-84	100.4	28.7	4.7	30.6	.26	36.8	302.7	31.3	14.8	33.3	.81	32.8
Hines Ed Lumber O	41.75	1.25	3.1	43.00	40.50	43.75	32.50	72	.41	.25	64.0	28.2	1.00	2.4	.....	9 mos.	09-84	85.5	20.4	2.2	144.4	1.24	148.0	212.4	13.2	2.3	53.3	1.30	52.9
Homecrafters Whse M	8.25	.50	6.5	8.25	7.00	16.25	5.25	1,920	6.80	3.94	72.6	39.3	.00	.0	NEW	fiscal	12-83	NC	NC	NC	NC	NC	NC	104.5	NC	.8	NC	.21	NC
Home Depot N	17.13	- .13	- .7	18.25	16.63	27.88	12.00	6,655	2.66	1.78	49.4	31.1	.00	.0	.....	9 mos.	10-84	100.5	56.8	3.3	43.5	.13	44.4	315.4	81.6	10.5	50.0	.42	50.0
K mart Cp N	38.38	3.25	9.3	39.00	34.75	39.00	26.75	57,235	4.57	1.46	213.0	9.2	1.24	3.2	.....	9 mos.	10-84	4993.3	15.3	92.4	13.5	.71	12.7	14220.4	9.8	294.8	21.0	2.27	20.1
Lowe's Cos N	28.25	2.88	11.3	29.50	25.00	29.50	16.25	13,073	3.61	1.15	213.9	16.9	.32	1.1	.....	9 mos.	10-84	447.7	17.2	17.6	23.9	.49	25.6	1312.9	19.4	50.9	23.8	1.41	23.7
Mich General A	7.25	- .25	- 3.3	7.75	7.00	8.50	4.63	2,302	2.03	1.19	70.6	27.9	.00	.0	.....	9 mos.	09-84	123.9	327.2	2.0	100.0	.18	20.0	344.3	335.8	3.7	15.6	.32	- 40.7
Natl Lumber M	5.00	.00	.0	5.25	4.75	9.50	4.50	332	.59	.57	3.5	14.7	.00	.0	.....	6 mos.	06-84	33.5	13.6	.4	- 60.0	.07	- 68.2	62.4	16.4	.7	- 41.7	.13	- 50.0
Pay N Pak N	13.63	.88	6.9	14.00	12.50	17.50	11.50	2,804	2.80	1.17	139.3	12.1	.60	4.4	.....	9 mos.	11-84	81.5	20.0	2.7	- 15.6	.27	- 20.6	243.7	24.3	8.9	14.1	.89	2.3
Payless Cash N	19.38	2.13	12.3	19.50	17.25	21.25	13.50	20,038	6.20	1.61	285.1	15.6	.16	.8	.....	9 mos.	08-84	334.5	32.8	12.9	18.3	.40	.0	843.9	37.6	27.7	13.5	.86	- 5.5
Scott Seabd O	1.00	.00	.0	1.50	1.00	4.00	1.00	162	.90	.19	373.7	8.3	.00	.0	.....	6 mos.	07-84	11.2	6.7	.2	- 33.3	.13	- 27.8	20.5	9.0	.2	- 33.3	.13	- 27.8
Scotty's Inc N	14.88	.88	6.3	14.88	13.50	15.50	11.38	1,077	.81	.48	68.8	11.2	.52	3.5	.....	3 mos.	09-84	101.7	6.6	3.4	6.3	.25	4.2	101.7	6.6	3.4	6.3	.25	4.2
Sears, Roebuck N	35.50	2.88	8.8	35.75	31.63	37.63	29.50	82,201	2.29	.76	201.3	8.6	1.76	5.0	.....	9 mos.	09-84	9696.2	8.4	321.9	11.5	.88	8.6	27732.3	10.2	891.7	17.4	2.47	14.9
SW Forest Ind N	15.25	.63	4.3	15.38	14.38	22.50	13.00	3,421	3.68	1.36	170.6	NM	.00	.0	.....	9 mos.	09-84	203.1	5.5	4.1	NE	.25	NE	587.5	15.8	13.1	NE	.82	NE
Std Brd Prt N	20.38	1.13	5.8	20.75	19.13	22.00	16.50	5,017	4.50	1.19	278.2	11.5	.54	2.7	.....	9 mos.	10-84	81.5	2.4	5.3	- 3.6	.48	- 2.0	244.2	6.1	16.3	6.5	1.47	6.5
Supermkts Gen N	36.63	2.88	8.5	37.50	33.75	37.50	19.25	4,972	2.79	.83	236.1	14.8	.42	1.1	.....	9 mos.	10-84	1149.7	30.6	10.4	33.3	.58	31.8	3010.6	15.7	30.3	11.8	1.70	11.1
Wickhan Lumber M	6.13	.50	8.9	6.13	5.50	6.13	4.00	682	1.17	.58	101.7	19.1	.16	2.6	.....	9 mos.	09-84	41.6	18.5	1.1	57.1	.19	72.7	103.0	22.8	1.8	38.5	.31	40.9
Wholesalers																													
Lewis Palmer M	9.25	1.50	19.4	9.50	7.50	9.88	7.09	1,442	3.86	1.23	213.8	15.4	.28b	3.0	.....	6 mos.	07-84	40.3	19.9	.5	- 28.6	.15	- 40.0	69.4	17.0	.8	.0	.25	- 21.9
Manufacturers																													
Allegheny Int N	26.50	2.25	9.3	26.63	24.25	31.50	18.75	1,504	1.43	.84	70.2	13.4	1.40	5.3	.....	9 mos.	09-84	585.3	6.1	10.2	209.1	.01	NE	1761.2	2.6	32.5	NE	.02	NE
Am Standard N	34.75	2.75	8.6	35.25	32.00	35.25	22.88	6,917	1.77	.63	181.0	12.0	1.60	4.6	.....	9 mos.	09-84	1005.7	97.6	30.2	105.4	.64	20.8	2529.2	57.4	87.3	95.7	2.24	38.3
Armstrng Wrld N	36.25	2.25	6.6	36.50	33.50	36.50	22.25	14,589	6.08	1.47	313.6	10.3	1.20	3.3	.....	9 mos.	09-84	395.0	6.6	22.8	15.2	.95	18.8	1186.8	9.6	73.4	46.8	3.00	49.3
Black & Decker N	26.00	1.00	4.0	26.88	24.63	27.88	17.25	26,973	5.36	1.42	277.5	13.3	.64	2.5	NEW	fiscal	09-84	482.9	73.4	24.5	50.3	.48	29.7	1532.9	31.3	95.4	238.3	1.95	200.0
Certain-teed N	24.00	2.00	9.1	24.25	22.00	24.25	15.50	2,223	1.17	.45	160.0	13.0	.60	2.5	.....	9 mos.	09-84	327.0	11.2	3.6	- 74.6	.17	- 77.6	915.8	17.1	29.6	17.5	1.47	8.1
Champ Intl N	24.25	2.63	12.1	24.75	21.38	26.38	16.88	43,763	7.95	3.26	143.9	11.4	.40	1.6	.....	9 mos.	09-84	1131.2	.8	40.2	64.1	.65	75.7	3430.7	7.7	109.4	87.7	1.76	107.1
Clopay Corp A	19.50	- .13	- .6	19.88	19.25	19.88	13.63	147	1.23	.29	324.1	10.8	.16	.8	.....	9 mos.	09-84	36.1	12.1	1.3	62.5	1.02	61.9	97.6	12.7	1.6	100.0	1.26	90.9
DeSoto Inc N	35.63	1.75	5.2	36.13	33.75	36.13	26.50	507	.90	.41	119.5	10.6	1.40	3.9	.....	9 mos.	09-84	114.4	22.0	5.1	10.9	.91	11.0	329.2	19.3	15.1	8.6	2.70	8.0
Emhart Corp N	30.50	1.75	6.1	30.75	28.50	31.59	24.53	4,077	1.48	.44	236.4	9.0	1.27b	4.2	.....	9 mos.	09-84	420.6	6.9	21.4	9.7	.78	9.9	1346.3	8.5	64.8	16.3	2.35	15.8
Georgia-Pacific N	25.75	.13	.5	26.38	24.63	26.38	18.00	70,237	6.85	1.79	282.7	12.3	.80	3.1	.....	9 mos.	09-84	1880.0	10.0	83.0	2666.7	.72	1700.0	5334.0	10.5	218.0	144.9	1.95	137.8
Insilco Corp N	20.00	1.00	5.3	20.50	18.50	20.50	14.00	3,228	1.90	.66	187.9	10.5	1.00	5.0	NEW	fiscal	12-84	180.9	12.1	7.3	5.8	.42	5.0	786.9	16.7	33.0	- 3.8	1.91	- 4.5
La Pacific N	24.75	1.13	4.8	25.00	23.38	26.69	17.00	10,627	3.08	.98	214.3	30.2	.80b	3.2	.....	9 mos.	09-84	312.7	14.2	6.9	56.8	.19	46.2	946.3	16.9	21.2	1.9	.61	- 3.2
MacMilln Bldel N	21.38	1.25	6.2	21.50	20.25	24.47	17.19	92	.03	.03	.0	NE	.00a	.0	.....	9 mos.	09-84	603.0	21.3	7.5	1150.0	.04	NE	1549.1	1.7	(4.7)	NE	(.80)	NE
Manville Cp N	6.25	.00	.0	6.75	6.00	12.75	5.50	3,227	1.34	.82	63.4	5.3	.00	.0	.....	9 mos.	09-84	512.0	12.9	28.2	38.9	.92	55.9	1400.9	7.9	59.0	.2	1.68	- 15.2
Masco Corp N	31.75	4.13	14.9	32.75	27.50	32.75	22.50	9,947	1.76	.83	112.0	14.6	.56	1.8	.....	9 mos.	09-84	522.8	95.1	81.0	174.6	(.17)	- 100.0	805.0	2.2	94.2	22.7	1.67	25.6
Natl Gypsum N	44.25	4.50	11.3	44.63	39.63	44.63	27.00	10,947	7.04	1.60	340.0	7.0	1.76	4.0	.....	9 mos.	09-84	449.0	44.1	28.1	68.3	1.81	79.2	1288.3	56.8	81.6	164.1	5.24	175.8
Newell Cos N	18.88	3.38	21.8	18.88	15.50	18.88	13.25	1,960	2.28	.45	406.7	12.8	.50	2.6	.....	9 mos.	09-84	67.6	- 2.3	3.1	- 20.5	.35	- 27.1	218.6	32.6	10.0	6.4	1.11	.0
Omark Ind N	37.25	.00	.0	37.50	37.25	37.50	20.38	455	.64	2.49	- 74.3	19.4	1.08	2.9	.....	3 mos.	09-84	76.0	- 1.6	4.0	- 16.7	.57	- 13.6	76.0	- 1.6	4.0	- 16.7	.57	- 13.6
Owens Corning N	35.50	3.13	9.7	35.50	32.00	35.50	25.13	16,370	5.56	1.35	311.9	9.1	1.40	3.9	.....	9 mos.	09-84	806.1	8.4	34.8	20.0	1.18	19.2	2265.2	12.3	80.3	71.2	2.73	68.5
Pope & Talbot N	18.50	1.00	5.7	19.38	17.25	25.00	15.00	449	.75	.27	177.8	17.3	.80	4.3	.....	9 mos.	09-84	83.2	26.8	(.6)	- 100.0	(.10)	- 100.0	241.7	14.2	4.1	- 52.3	.69	- 52.1
Potlatch Cp N	34.50	2.50	7.8	35.00	31.13	35.25	25.75	1,739	1.13	.74	52.7	12.7	1.56	4.5	.....	9 mos.	09-84	249.1	7.8	11.1	2.8	.64	16.4	757.8	12.5	39.6	30.3	2.22	45.1
Sherwin-Wms N	32.88	2.88	9.6	33.25	29.75	33.25	22.25	6,424	2.83	1.02	177.5	12.1	.76	2.3	.....	9 mos.	09-84	552.5	4.2	25.3	9.5	1.10	18.3	1573.7	4.6	55.9	16.2	2.40	24.4
Stanley Works N	29.88	2.75	10.1	30.00	26.50	30.00	19.50	9,801	3.53	1.26	180.2	11.8	.96	3.2	.....	9 mos.	09-84	294.6	18.7	18.1	29.3	.65	27.5	852.4	18.3	50.0	55.8	1.79	53.0
Thos Inds N	17.88	- .13	- .7	18.63	17.63	18.88	12.38	484	.57	.32	78.1	9.8	.62b	3.5	.....	9 mos.	09-84	79.5	38.7	4.3	22.9	.50	- 5.7	214.6	31.7	12.0	51.9	1.41	35.6
Triangle Pac N	28.50	1.75	6.5	29.00	26.63	29.00	20.75	920	2.26	.60	276.7	8.7	1.00	3.5	.....	9 mos.	09-84	71.5	15.1	4.3	30.3	1.02	22.9	207.5	24.1	10.7	25.9	2.59	23.3
USG Corp N	68.38	5.88	9.4	70.25	62.50	70.25	45.00	10,387	6.30	1.87	236.9	6.6	3.00	4.4	.....	9 mos.	09-84	633.7	45.9	47.5	68.4	2.87	70.8	1708.0	45.3	145.3	179.4	8.79	184.5
Walter, Jim N	36.38	4.25	13.2	36.38	31.50	36.38	22.00	11,194	5.35	1.59	236.5	8.8	1.20	3.3	NEW	3 mos.	11-84	558.3	5.8	27.1	21.0	1.10	19.6	558.3	5.8	27.1	21.0	1.10	19.6
Waxman Ind O	14.25	.50	3.6	14.50	13.75	14.25	4.13	455	2.69	.97	177.3	16.6	.06	.4	.....	3 mos.	09-84	20.5	99.0	.7	250.0	.40	185.7	20.5	99.0	.7	250.0	.40	185.7
Weyerhaeuser N	32.75	1.38	4.4	34.00	31.25	34.00	25.00	31,482	2.43	.86	182.6	17.7	1.30	4.0	.....	9 mos.	09-84	2670.6	113.3	58.3	9.6	.40	14.3	4141.9	14.3	198.8	47.5	1.36	56.3

All data is based on sources believed to be reliable, but its accuracy is not guaranteed. Every effort will be made to correct errors, when discovered, in future issues.

Reporting period
3 mos.—First quarter of fiscal year
6 mos.—First six months of fiscal year
9 mos.—First nine months of fiscal year
Fiscal—Fiscal year
NEW—New report since last issue

General Field Footnotes
NA—Not available or not applicable
NC—Data required for calculation currently incomplete in our files
NE—Negative earnings invalidate calculations
NM—No meaningful figure
a—Under dividend amount, indicates a stock dividend
b—Indicates cash plus stock dividend when applied to dividend amount column

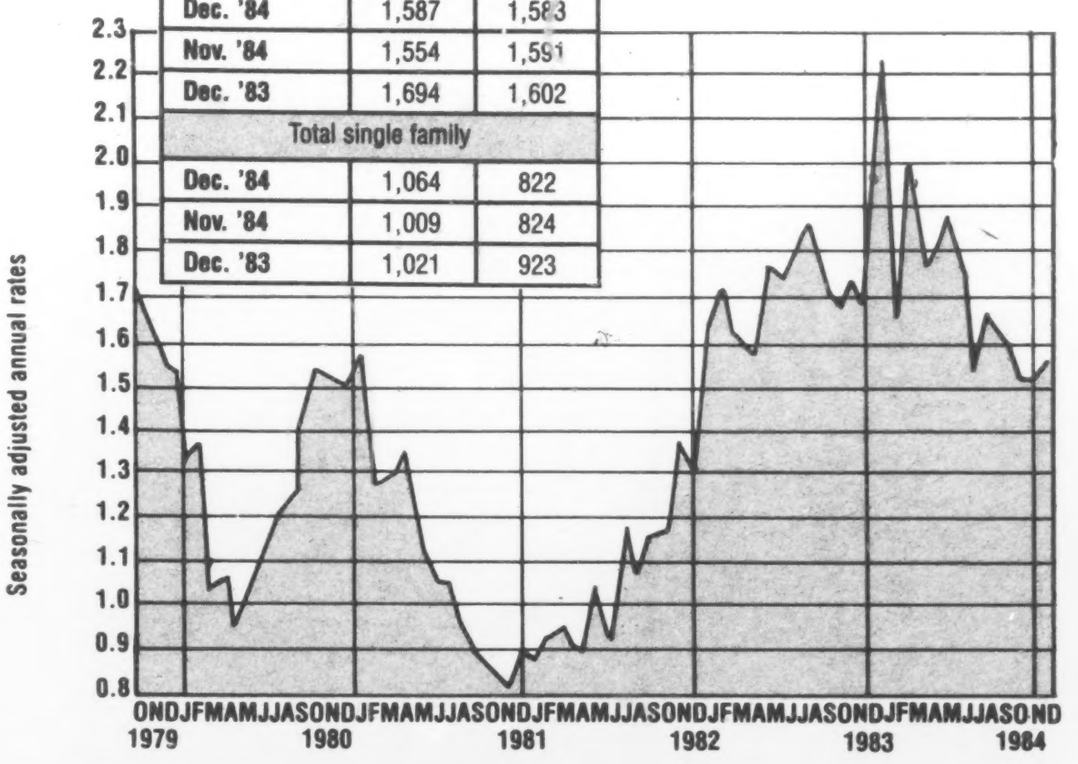
Market
N—New York Stock Exchange
A—American Stock Exchange
O—NASDAQ Over-the-Counter
M—NASDAQ National Market

Data and Table Provided by Media General Financial Services Inc., Richmond, Va. 23219

HOUSING WATCH

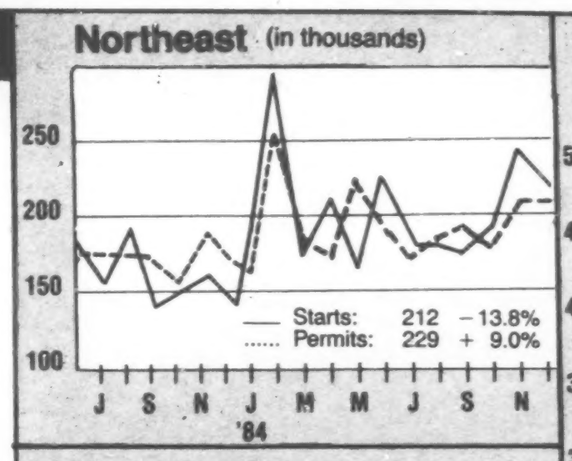
U.S. housing starts

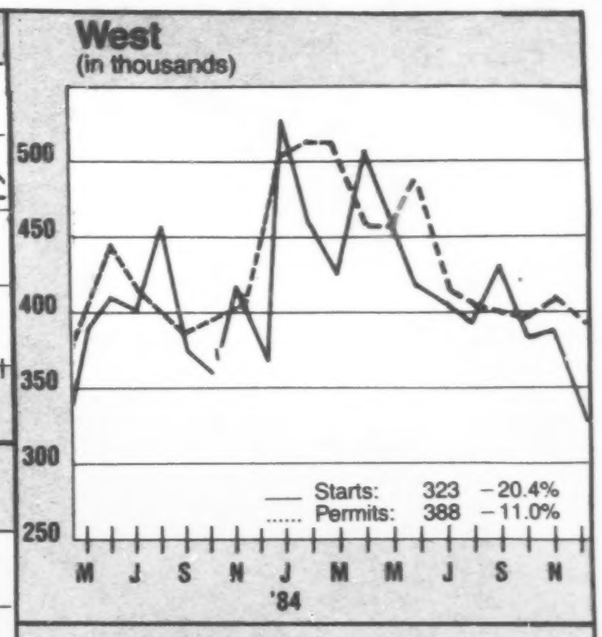
TOTAL (in thousands)	Starts	Permits
Dec. '84	1,587	1,583
Nov. '84	1,554	1,591
Dec. '83	1,694	1,602
Total single family		
Dec. '84	1,064	822
Nov. '84	1,009	824
Dec. '83	1,021	923

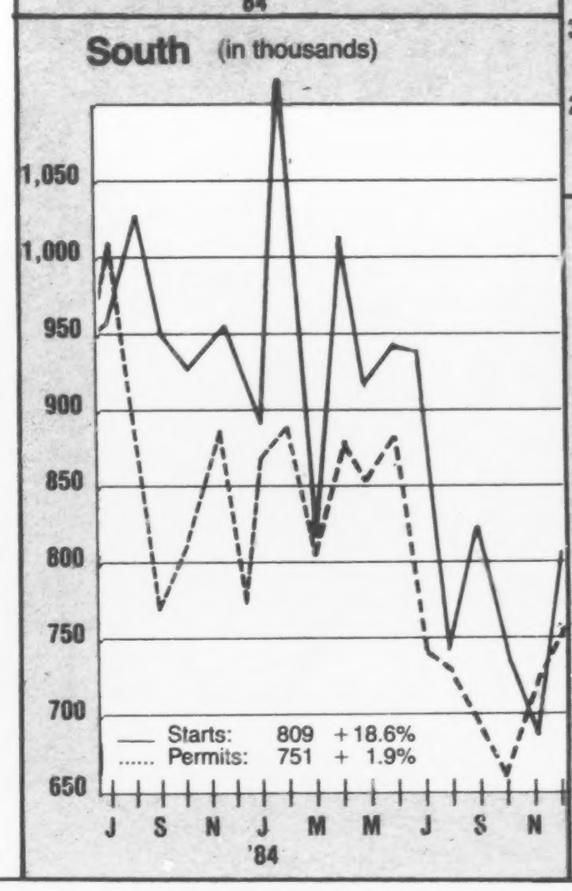


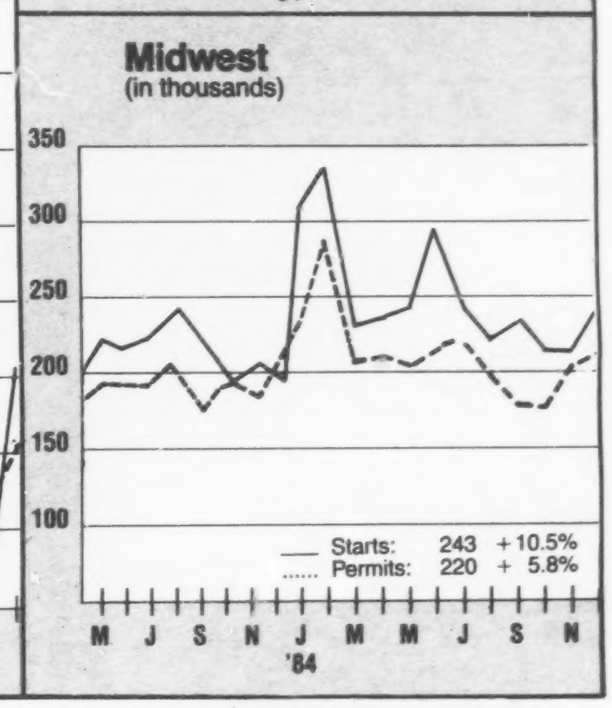
December's housing starts rose to 1.59 million units, seasonally adjusted, up 2.1% from the previous month, according to the Dept. of Commerce. Single-family starts remained strong, up 5.5% from November to 1.06 million units, seasonally adjusted, which was 4.2% above December 1983. The South rebounded, after last month's low, with an 18.6% increase in housing starts to 809,000 units, seasonally adjusted and a 1.9% increase in building permits up to 751,000 units.

Source: Dept. of Commerce, Bureau of the Census









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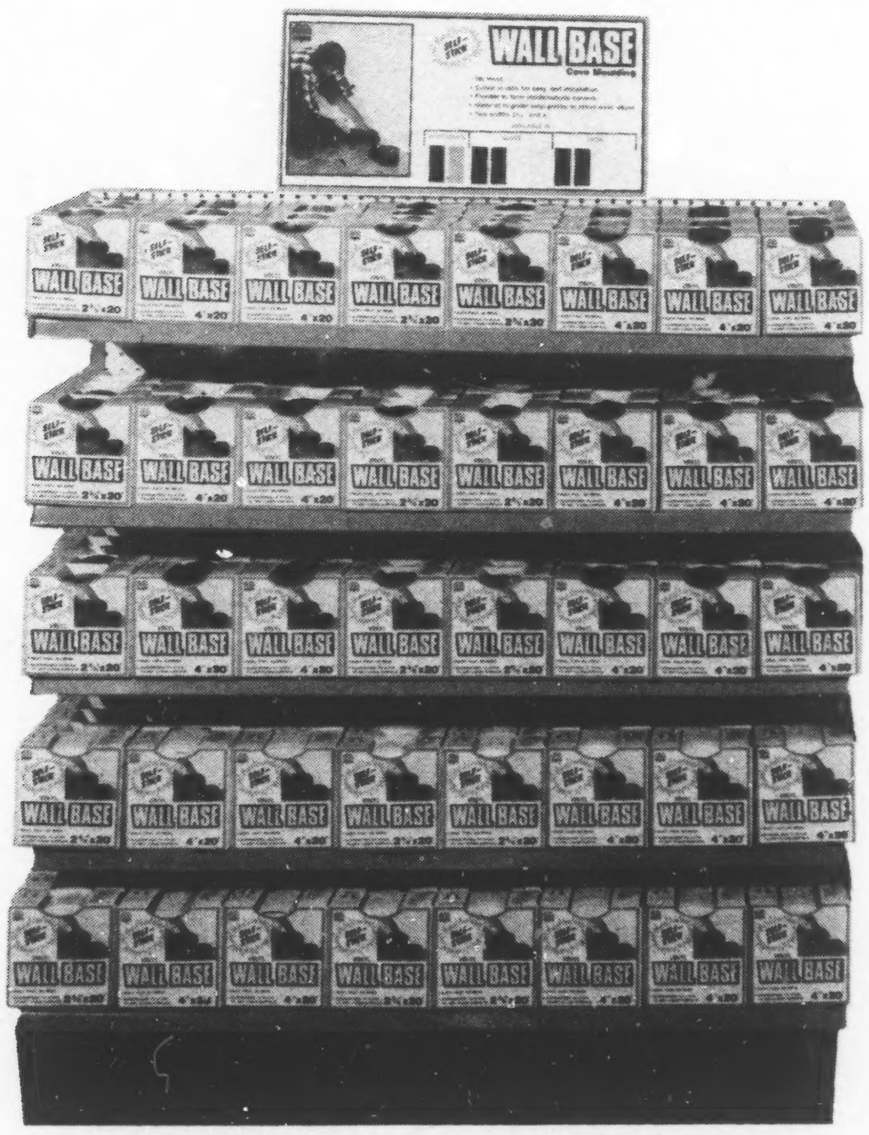

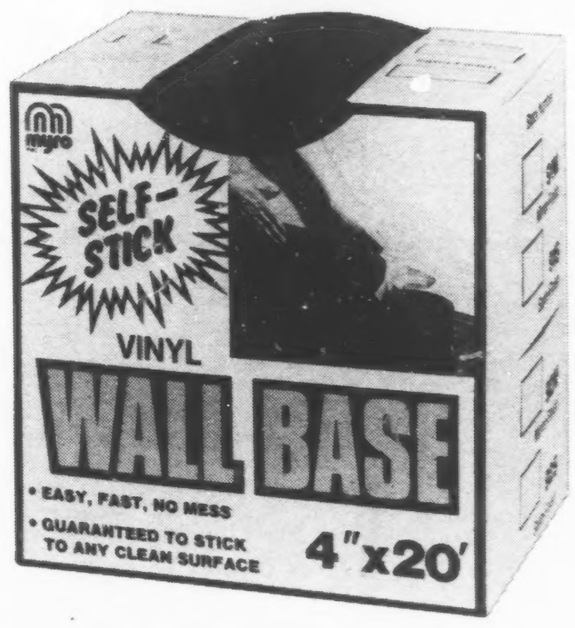

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Housing starts climb to highest level in 5 years

WASHINGTON — Housing starts for 1984 ended at 1.74 million units, their highest level in five years, and an increase of 2.4% over 1983's 1.70 million, according to the Dept. of Commerce.

"We've had two good years in a row," said Dean Crist, economist with the National Assn. of Home Builders.

Continued lower mortgage rates and milder weather resulted in a strong finish to 1984. December's housing starts rose by 2.1% over November's revised figures to 1.59 million units, seasonally adjusted.

Single family construction was strong with 1.06 million units, seasonally adjusted, up 4.2% from December 1983. However, multifamily building slipped 4% from November to a rate of 532,000 units. Analysts predict that 1985 will see a decline in multifamily construction, although the first quarter might see a flurry of activity as syndicates build before any changes in the tax laws go into effect. The current Treasury tax proposal could reduce many of the benefits of real-estate investments for multifamily builders.

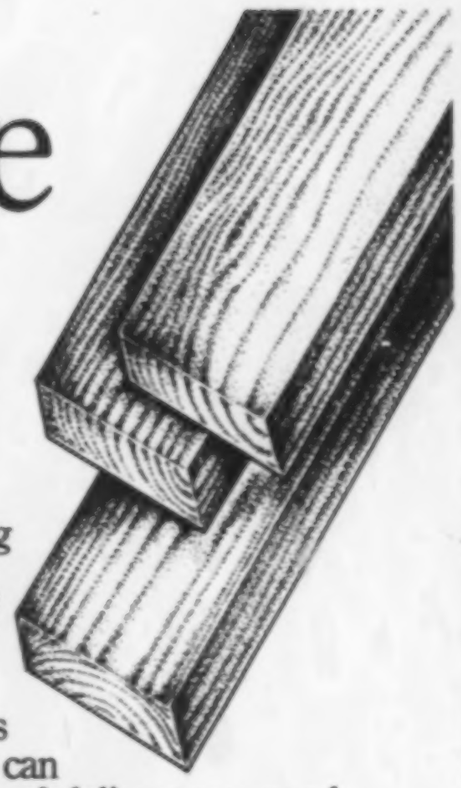
The tax proposals, as they stand now, will not have the same kind of affect on single-family construction that is built for sale rather than rent.

Early 1985 may see strong single-family building activity as analysts predict that mortgage interest rates should drop still further. Although December's mortgage rates stood at 13.82% for fixed loans, and 12.16% for adjustable-rate mortgages, according to the Federal Home Loan Bank Board, there were a variety of lower-rate loans available.

Certain builders were offering 30-year loans that started below 10%, according to Barbara Alexander, a vice president of Salomon Bros., the New York investment firm. The rate adjusts upwards for the first four years and then remains constant. It has the advantage of making it easier for prospective homeowners to qualify for a mortgage, thus opening up the

(Continued on page 69)

Pressure treated lumber.



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LUMBER REPORT

Forest product cos. bite bullet; record write-offs taken in 1984

By Ronald R. Gurczynski
NHCN associate editor

NATIONAL REPORT — Squeezed by overcapacity, slack demand and their corollary, depressed prices, many forest products companies are taking record-breaking charges against earnings for 1984's fourth quarter.

"Undoubtedly, these are unprecedented write-offs for the lumber industry," said Evadna S. Lynn, vice president and senior forest products industry analyst at Merrill Lynch. "These companies are tired of losing money in the wood products area so, they have decided to bite the bullet in terms of reducing overcapacity and take huge write-offs in 1984."

The losses for the forest products companies will be great as the firms reduce their wood production capacities and continue the shift into the more profitable area of pulp and paper manufacturing.

Last month, International Paper announced it is taking a $163 million charge against earnings in the fourth quarter to cover anticipated losses in its West Coast timber operations. An industry observer said that International was backing out of the wood products business that it entered five years ago.

Other companies also are planning big write-offs. Champion International's charges against earnings will be "somewhere in the neighborhood of $120 million to $150 million," according to Mary Green, Champion vice president.

In a December 1984 statement, Boise Cascade said that it expected to "take a net pretax charge against income in the fourth quarter of 1984 totaling approximately $71 million. . . ." However, the company now places that estimate of fourth-quarter losses above the $71 million figure. Merrill Lynch's Lynn estimates fourth-quarter pretax write-offs for Weyerhauser and Crown Zellerbach to be $45 million and $30 million, respectively.

A small part of the losses that these forest products companies are experiencing stem from the passage of H.R. 2838, which allows the timber companies to buy their way out of a portion of their expensive Government timber contracts. The bill provides some relief by wiping out huge potential losses some wood products firms might have experienced had they been forced to honor their contracts with the Federal Government for harvesting northwestern timber. The buyouts should be completed by April of this year, according to the bill, and most of the remaining timber involved will be cut between 1986 and 1989.

One of the hardest hit by the timber contract buyout is Southwest Forest Industries, which expects to pay between $10 million and $15 million. The cost of the buyout should be $10 million for Boise Cascade and $10.4 million for Champion International.

Merrill Lynch has estimated the buyout costs to the following companies on a per share basis as follows: Pope and Talbot, $0.68 per share; Louisiana-Pacific, $0.15 per share, and International Paper, $0.05 per share.

In efforts to head off future losses, forest products companies continue to invest in other related areas such as pulp and paper manufacturing. Merrill Lynch analyst Mark Diverio said these firms have been moving into paper since the 1970's. The steps to diversify are survival strategies designed to cushion the companies from the swings in wood products manufacturing.

International Paper recently completed a $500,000 reconfiguration of machinery at its pulp and paper plant in Georgetown, S.C., and it is spending $300 million to modernize another paper mill in Mobile, Ala. Several weeks ago, International announced a $200 million conversion at a Pine Bluff, Ark., plant to coated publication paper from newsprint.

Boise Cascade spokesman Doug Bartels said "most of our capital spending is tied to our paper, packaging and office products distribution businesses." Last year, the lion's share of Boise Cascade's $600 million capital expenditure program went to paper products. For 1985, Bartels estimates his

(Continued on page 68)

FUTURES

Two weeks ended Jan. 17, 1985

	High	Low	Close	Previous Week	Open* Interest	Contract High	Contract Low
LUMBER (CME)—130,000 bd. ft. spruce-pine-fir 2x4's; $ per 1,000 bd. ft.							
Jan. '85	164.10	158.60	164.00	159.40	108	221.30	130.30
March	169.00	156.50	156.50	164.80	4,935	220.40	139.30
May	176.50	163.60	164.20	172.90	2,121	225.00	147.00
July	179.50	169.50	170.30	176.30	1,360	230.50	153.00
Sept.	180.20	173.90	174.20	177.50	965	197.50	157.50
Nov.	180.50	174.80	177.90	178.80	705	186.10	167.30
Jan. '86	183.20	178.20	182.00	183.40	156	187.20	173.50

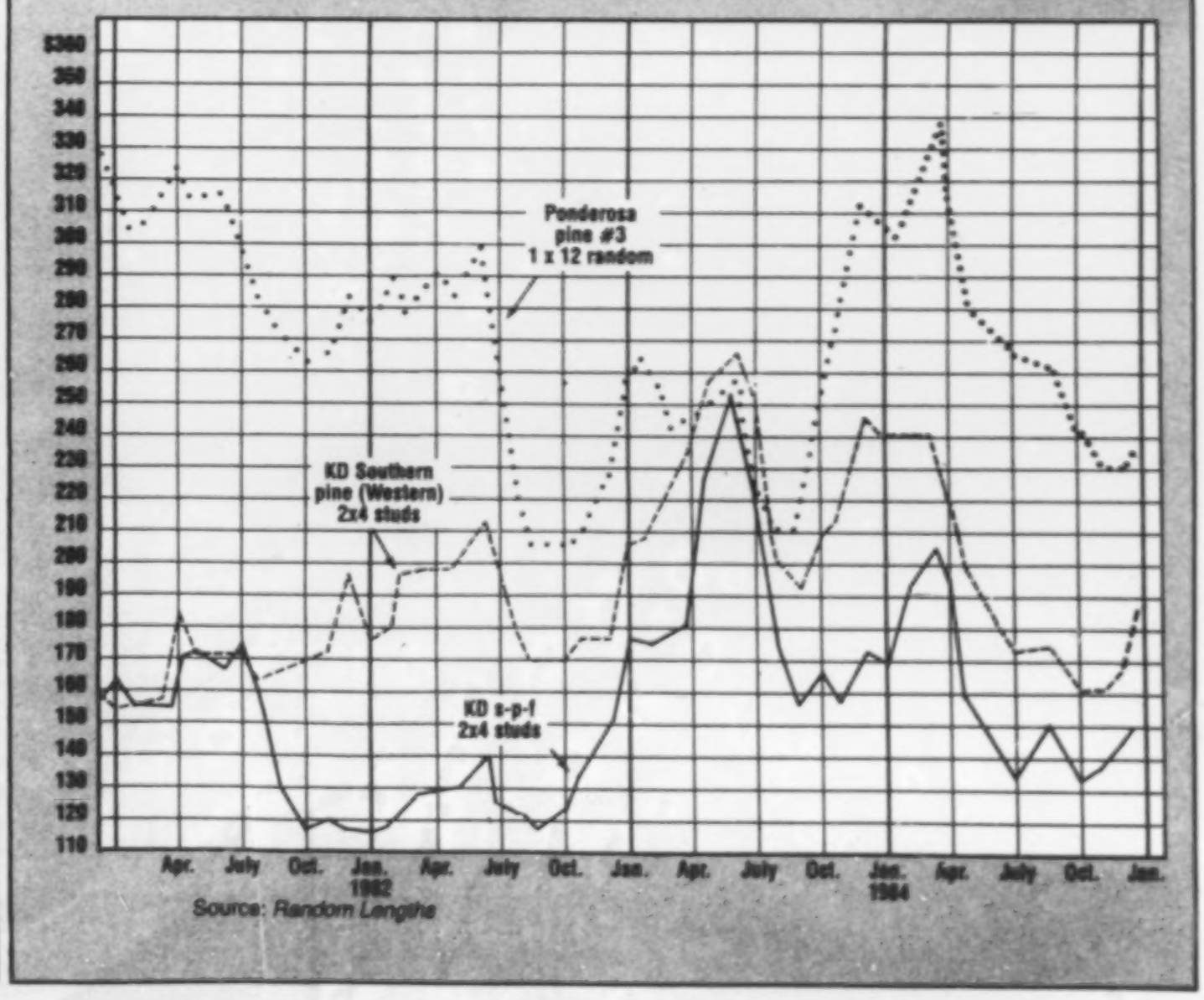
Total Contract Vol. (Through 1/17): 25,288 — Previous Two Weeks: 16,769
Total Open Interest (as of 1/17): 10,387 — Previous Week: 10,106
Cash Price: $161.70 — Previous Week: $164.64 — Year Ago: $161.70

COMMODITY RESEARCH BUREAU INDEX:	This Week 245.5	Previous Week 244.2	Year Ago 274.4

CME—Chicago Mercantile Exchange
*Figures for Thursday, Jan. 17.
Open Interest is the number of outstanding contracts for each delivery month not liquidated by an offsetting transaction or fulfilled by delivery.

Commodity close-up: Studs & boards

Average monthly mill prices



Source: *Random Lengths*

SYSTEMS & OPERATIONS

Retailers increasing MIS funds

NATIONAL REPORT — Retailers spent more money to upgrade their management information systems last year than the year before, according to a new study sponsored by Arthur Young, the New York consulting firm. The increased funds went more for equipment than for personnel costs, which actually dropped last year

The 111 retailers participating in the survey spent some $652 million last year on their MIS needs. This figure, about 0.93% of their annual sales of $70 billion, represented an 18% increase over the year before. The same retailers reported an overall increase of 16% in their sales totals for the same period.

While the retailers have increased their MIS funding substantially, it's clear from the study that still more investment lies ahead. Half the respondents said they planned to either develop or improve their inventory control systems over the course of the next two years. The same number said they planned to develop or improve their stock replenishment systems. And enthusiasm was nearly as high for point-of-sale and purchase order management systems.

"The number of retailers giving priority to inventory control and stock replenishment . . . can be explained by today's high cost of inventory," said Al McCready, national director of retail consulting for Arthur Young. "We believe that retailers who have not developed sophisticated automation for managing inventory can expect to be among the first to fail in the next economic downturn."

Computer use in retailing

System	% of respondents who will develop or improve systems in next 2 years
Inventory control	50%
Stock replenishment	50
Point-of-sale (POS)	48
Purchase order management	48
Store level systems (computer in store)	43
Distribution	35

Source: Arthur Young, New York; NHCN chart

Inventory control and automatic replenishment were the most common areas cited by retailers planning to improve their computer systems.

Microcomputer applications use

System	% of respondents processing applications on a microcomputer
Financial planning	50%
Sales reporting/analyst	20
Store level (computer in the store, operating a system)	11
Inventory control	10
Payroll	8
Point-of-sale (POS)	5

Source: Arthur Young, New York; NHCN chart

Financial planning has been the most popular use for microcomputers at retail establishments, according to the Arthur Young survey.

About 3 out of 4 respondents said they used microcomputers in their overall MIS plan. Interestingly, these small computers are still used primarily for financial planning, according to the report. Some 50% of respondents said they used micro's for that purpose, while only 10% said they used micro's for inventory control.

Some 80% of respondents said they had an annual written plan for MIS activity, while 71% said they had established a data processing steering committee both to coordinate MIS with corporate strategy and to disseminate information to other areas of the organization.

The survey also showed a drop in the amount respondents budgeted for payroll for the MIS activities, from 0.52% of sales in 1982 to 0.39% of sales in 1984.

"The survey suggests that as the technology used in capturing data has become more sophisticated and widely used by retailers, fewer people have been hired for traditional data entry work," said McCready.

True Value eyes tighter inventory control

(Continued from page 64)

minals at that store but also with the fifth store. The reason for this move is that putting the two farthest stores on line with Morrisville would cost an estimated $340 per month for each of the two stores, because they are positioned outside of the local area served by the local telephone company. The $190 saved per month for each of the two stores comes to a total savings of some $4,650 annually.

Going on line during business hours with all five stores—at a cost of some $5,400 annually—should save the chain the expense of putting an IBM computer into each of its stores—at a cost of some $36,000 per store—to monitor sku movement and credit limits. It also keeps headquarters abreast of product levels in each of its stores so that merchandise can be shifted between stores when needed. Finally, on-line communication enables the chain to determine credit levels, by last transaction, for each charge customer.

As for the individual POS terminals themselves, the company has selected Wyse terminals, from Add Electronics, a computer supplier in East Syracuse, N.Y., which also provided True Value with its IBM computer and related software *(see "ADD Plus" sidebar)*. These terminals have a "typewriterlike" keyboard so that it will be much easier for cashiers to enter the letters that occur in the True Value sku designations.

Finally, the Wyse terminals, which do not have internal computer power since they are online with an IBM computer, are much cheaper than an IBM POS terminal. They sell for some $2,000 with a ticket printer, compared with some $6,000 to $7,000 for each IBM POS terminal.

Employees on the move?

Send us your personnel promotions and changes so that *NHCN* can keep the industry up to date about your chain. Include name of individual, company, new position, old position and years with the firm. Also, if possible, send black-and-white photo to People, *National Home Center News*, Lebhar-Friedman, 425 Park Ave., New York, N.Y.

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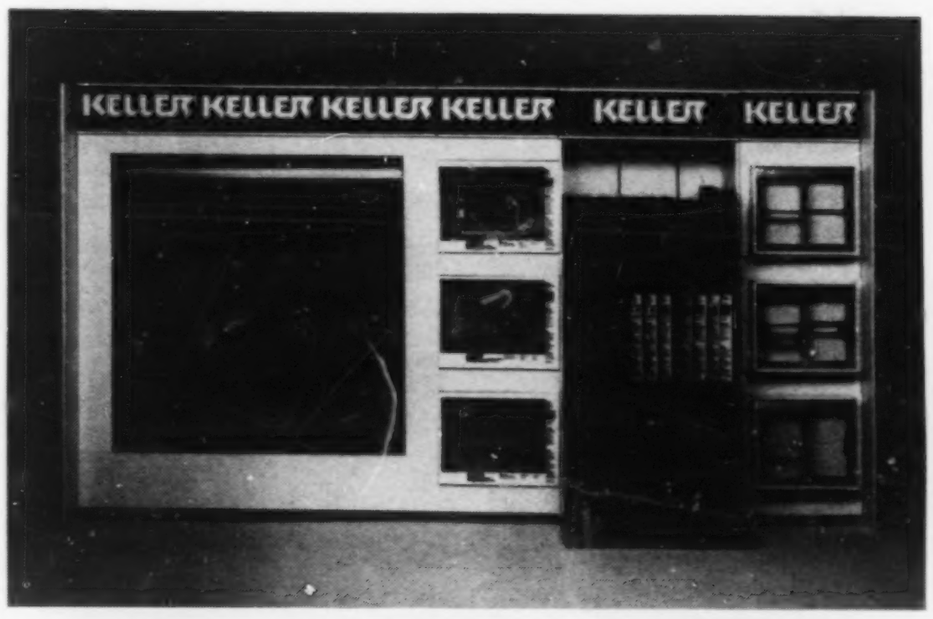

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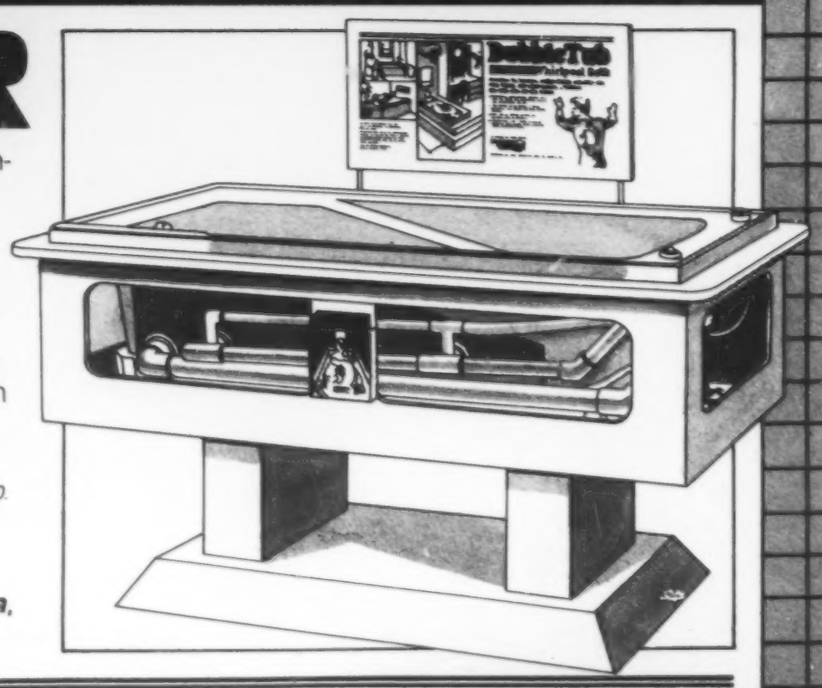

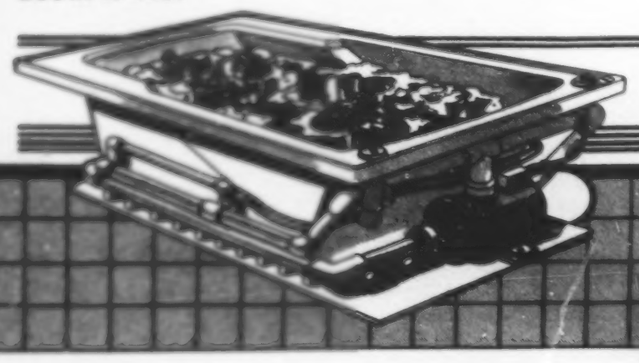

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CALENDAR

Feb. 10-13
Canadian Hardware Show, Coliseum Exhibition Place, Toronto. 416-821-3470 or 1-800-387-8246.

Feb. 11-14
Mid-Atlantic Lumbermen's Exposition, Adams Mark Convention Center, Philadelphia. 601-352-8561.

Feb. 12-13
Felmor Corporation 21st Annual Trade Show, Martin's West Convention Center, Baltimore. 301-669-6000.

Feb. 12-13
Eastern Building Material Dealers Association 93rd Eastern Region Exposition and Convention, Adam's Mark Hotel, Philadelphia. 215-565-6144.

Feb. 14-15
Mid-American Lumbermen's Exposition, Bartle Hall, Kansas City, Mo. 816-931-2102.

Feb. 16-17
Mid America Hardware Show, State Fairgrounds, Columbus, Ohio. 614-486-5278.

Feb. 17-19
Winter National Hardware & Home Center Show, Las Vegas Convention Center, Las Vegas. 312-885-1025 or 203-964-0000.

Feb. 19-20
Illinois Lumber & Building Material Dealers Convention & Buying Market, The Center, Springfield, Ill. 217-544-5405.

Feb. 20-24
Sealed Insulating Glass Manufacturers Association Winter Meeting, Contemporary Resort (Disney World), Lake Buena Vista, Fla. 312-644-6610.

March 3-6
International Hardware Fair, Cologne, West Germany. Telex-8873426.

March 17-20
National Home Center Show, Georgia World Congress Center, Atlanta. 312-823-3183.

March 17-20
N.K.B.A. Show, St. Louis. 201-852-0033.

March 19-21
National Lumber and Building Material Dealers Association Conference and Congress, Hyatt Regency Hotel, Washington, D.C. 202-547-2230.

March 23-24
National Association of Floor Covering Distributors Expo, The Century Plaza Hotel, Los Angeles, Calif. 312-467-0116.

March 24-27
National Association of Floor Covering Distributors Annual Convention, The Century Plaza Hotel, Los Angeles, Calif. 312-467-0116.

March 24-28
National Housewares Manufacturers Association, International Housewares Expo, McCormick Place/McCormick Place West, Chicago. 312-644-3333.

March 28-30
National Association of the Remodeling Industry Convention, Atlantic City Convention Center, Atlantic City, N.J. 703-276-7600.

April 19-22
Ace Hardware Spring Convention, Astro Hall, Houston. 312-887-6600.

April 15-26
Cotter & Company 75th Semi-Annual Market & Convention, General Offices, Chicago. 312-975-2700.

April 21-24
Southern Hardware Convention, Hilton Hotel, New Orleans. 312-885-1025.

April 26-30
American Hardware Supply Spring Market, Baltimore. 412-283-4567.

April 28-May 1
National Kitchen Cabinet Association Convention, Marriott Hotel/Marco Island Resort, Fla. 703-237-7580.

May 5-8
N.B.M.D.A. Show, Hyatt Maui, Maui, Hawaii. 312-724-6900.

May 18-21
Hardware Wholesalers Market, Indiana Convention-Exposition Center, Indianapolis. 219-749-8531.

Aug. 11-15
National Hardware Show, McCormick Place, Chicago. 203-964-0000.

Sept. 20-22
Western Home Center Show, Anaheim Convention Center, Anaheim, Calif. 312-823-3119.

Oct. 2-6
Mountain States Lumber & Building Material Dealers Assn. Annual Convention, Sheraton Denver Tech. Center, Denver. 303-793-0859.

Oct. 14-25
Cotter & Company 76th Semi-Annual Market & Convention, General Offices, Chicago. 312-975-2700.

Oct. 18-20
Ace Hardware Fall Show, Bartle Hall, Kansas City, Mo.

Oct. 20-23
National Hardware Convention, Hilton, San Francisco. 312-885-1025.

Nov. 10-13
National Building Materials Distributors Association Convention, Franklyn Plaza, Philadelphia. 312-724-6900.

Nov. 16-20
National Lumber and Building Materials Dealers Association Conference, Seattle, Wash. 202-547-2230.

When's your show?
If home center operators will be attending your show, association convention or special seminar, *NHCN* wants to know. Send date, location and schedule to: Calendar, *National Home Center News,* Lebhar-Friedman, 425 Park Ave., New York, N.Y. 10022.

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Forest product cos. take record '84 write-offs

(Continued from page 16)

company will spend $400 million on capital projects with about 66% of the funds going into paper and related businesses.

Southwest Forest Industries will spend $200 million over the next four years to modernize a pulp and paper mill and to acquire additional corrugated container plants. In addition, $150 million will go to the refurbishing of a pulp and paper mill in Panama City, Fla., while $50 million will be devoted to acquiring the corrugated container plants. According to public relations representative Kathy Milus, both projects are contingent upon an improving economy and the sale of approximately $100 million in assets, which would include timberlands and certain nonpaper operations. In addition, Southwest plans to convert $50 million of outstanding debentures into common stock. Southwest is considering the sale of its Knox Lumber subsidiary in order to raise needed cash (*NHCN*, Jan. 14).

"We're also getting away from a strict lumber and plywood orientation," said Louisiana-Pacific spokesman Barry Lacter. The company is constructing waferboard and medium-density fiberboard plants in Virginia and Minnesota. Louisiana-Pacific has already completed such plants in California and Idaho. Lacter added that the cost for constructing the plants is about $15 million each.

Evadna Lynn sees hope for the industry. "Our forecast for the new year is that lumber prices will show a modest improvement because of the lumber plant shutdowns. These shutdowns will begin, and I emphasize begin, bringing the industry into balance."

PEOPLE

(Continued from page 12)

David Felts to president and chief operating officer, **Woods Wire Products,** Carmel, Ind., maker of electrical cordsets, trouble lights, telephone accessories and electrical specialty products. He was formerly executive vice president.

Kenneth Kermes to executive vice president, finance and corporate development, at **Black & Decker,** Towson, Md., maker of power tools. He was previously senior vice president at Ralston Purina Co., St. Louis, Mo.

Gerald P'Pool to executive vice president from senior vice president, marketing services, for **Thomas Industries,** Louisville, Ky., a 16-division manufacturer of lighting, decorative home accessories, tools, hardware and paint applicators.

Thomas Albani to vice president of **Allegheny International,** Pittsburgh, Pa., he will continue as president of the company's North American appliance division.

Also at Allegheny, **John Bloxcidge** and **Anthony McCann** to vice presidents of the corporation, with Bloxcidge continuing as president of Wilkinson Sword Division, and McCann as president of Sunbeam International division.

Don Savon to divisional vice president, Galaxy Carpet Mills' eastern division, based in Elk Grove Village, Ill.

Anthony Asalone to vice president and general manager, painting systems division, **Campbell Hausfield,** Nashville, Tenn., maker of air compressors and air power tools.

Larry Waxman to vice president, sales, consumer products division, of **Waxman Industries,** Bedford Heights, Ohio, maker of home plumbing, electricals and hardware.

Gary Sherman to area vice president of consumer support, **The Silent Watchman Corp.,** Columbus, Ohio, maker of loss control systems and services for chain store networks.

Bob Stevens to vice president, consumer sales, the **Mystic Tape Corp.,** Gurnee, Ill., maker of pressure sensitive tapes.

J. Terry Cochran to vice president, sales, for Kelley Manufacturing, Houston-based maker of wheeled products and consumer galvanized wear.

Steve Anness to national sales manager of newly created consumer division, **Challenger Electrical Equipment Corp.,** Malvern, Pa.

Robert Legate, president of two Prudham Building Supplies stores in Edmonton, Alberta, was elected president of the 1,800-member Canadian Retail Hardware Assn. (CRHA), during its annual meeting at Niagara Falls. As well as being the first Albertan, he is the first primarily building supply dealer to be elected to head the CRHA.

Housing starts climb to highest level in 5 years

(Continued from page 10)

housing market to more first-time buyers, and encouraging home-building.

Major changes in home-building activity were recorded in both the South and West regions in December. Housing starts in the South increased to a seasonally adjusted 809,000 units. This is 18.6% above November's slump of 682,000 units, which marked the lowest point for construction in the South since January 1982. Building permits in the South were also up, climbing 1.9% over November's rate to 751,000 units, seasonally adjusted.

In the West, however, homebuilding fell abruptly by 20.4% from November to 323,000 units, seasonally adjusted with permits also down, falling 11% from November to 388,000 units.

The Northeast, where building activity had picked up in November, fell by 13.8% to 212,000 units, seasonally adjusted but permits were up by 9% to 229,000 units, promising renewed activity in the future.

The Midwest ended the year with a 10.5% rise in building over November to 243,000 units, with permit activity up 5.8% to 220,000 units.

Ernst Home Centers fills 3 district manager posts

Gary Skrla

Kelly McCauley

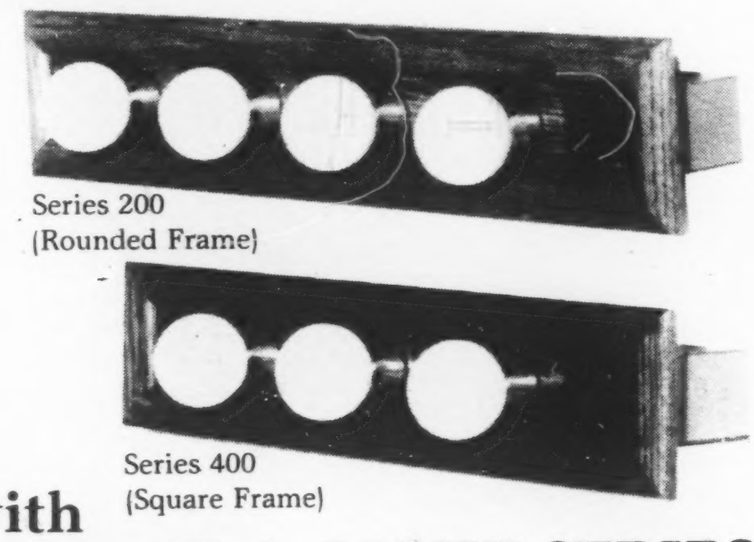
SEATTLE — Three new district managers have been announced at 70-unit **Ernst Home Centers,** a subsidiary of the **Pay 'n Save Corp.,** based here.

Gary Skrla, who now oversees 11 Ernst stores in the South Puget Sound region, was formerly store manager for Henry Bacon Lumber and Building Materials Supply, and previously held a similar position for a Mr. Plywood outlet.

Kelly McCauley is now district manager for eastern Washington and Idaho, being previously a manager of an Ernst store in Orem, Utah.

Dave Palmerson is district manager for all Ernst and Von Tobel's home center stores in Nevada and Wyoming, from being director of three Von Tobel's stores in Las Vegas.

Lighten Up. . . .



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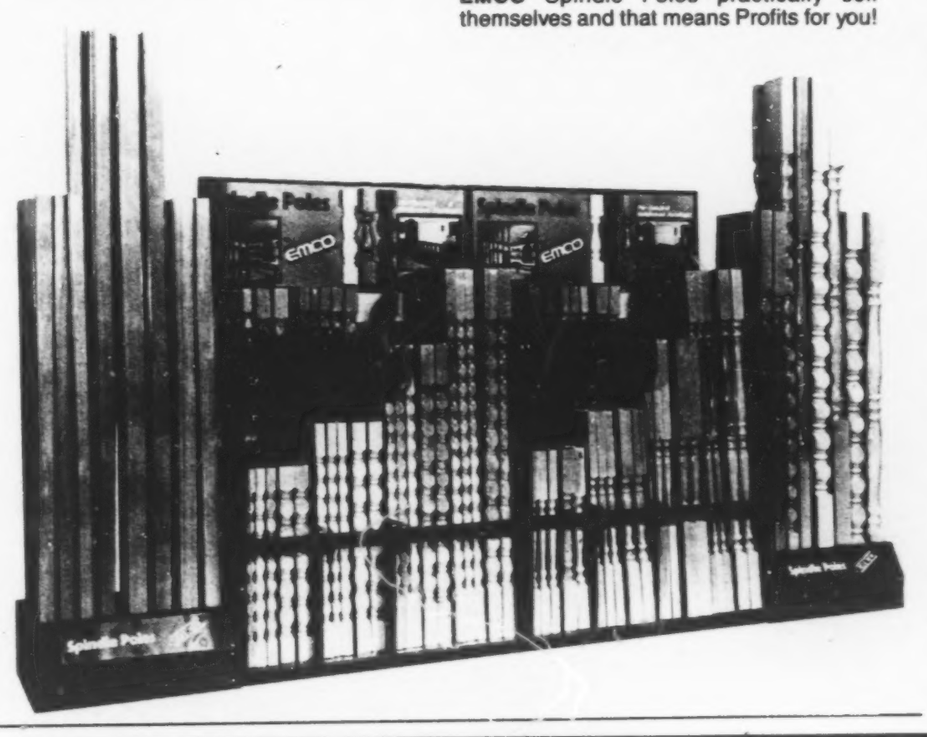

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HOME CENTER TRIVIA

Answers to Home Center Trivia, Page 12

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Robert Platt

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"Mr. Nobody"

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